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## **THE OFFICE OF CANNABIS MANAGEMENT ANNOUNCES NEW YORK STATE TO START ACCEPTING APPLICATIONS FOR THE FIRST RETAIL CANNABIS DISPENSARIES**

*Culminates the Seeding Opportunity Initiative Announced in March*

*A Key Step to Ensure New York Farmers, People Impacted by Cannabis  
Prohibition, & Non-Profits That Serve the Formerly Incarcerated Comprise  
Initial Adult-Use Cannabis Supply Chain*

*Outreach Campaign Also Launched to Assist Licensed Cannabis Businesses With  
Insurance Needs*

Today, the Office of Cannabis Management (OCM) announced that New York State has begun accepting applications for the first adult-use cannabis retail dispensary licenses. The license, called the Conditional Adult-Use Retail Dispensary (CAURD) license, is a key pillar of the New York State Seeding Opportunity Initiative. Through the Initiative, New York's first legal adult-use retail dispensaries will be operated by those most impacted by the enforcement of the prohibition of cannabis, and those first sales will be made with products grown by New York farmers.

In addition, the OCM announced that the State will begin a campaign to assist hundreds of established and emerging New York businesses that have been licensed to participate in the state's legalized, recreational cannabis market. The campaign, led through the New York State Insurance Fund (NYSIF), will help these companies fulfill their workers' compensation, disability, and paid family leave requirements, and ensure that their workers are fully protected if they are injured on or off the job.

Eligible applicants can apply under the qualifying business or qualifying non-profit track.

Prospective Qualifying Business applicants must:

- Have a conviction for a marijuana-related offense that occurred prior to the passage of the Marijuana Regulation and Tax Act (MRTA) on March 31, 2021, or have had a parent, legal guardian, child, spouse, or dependent with a pre-MRTA conviction for a marijuana-related offense in the State of New York.

- Have experience owning and operating a qualifying business that has been profitable for at least two years.

The specific ownership and control requirements will depend on the structure of the business applicants and the eligibility criteria under which they are applying. All applicants must be led by justice-involved individuals, whether they are an entity owned by more than one owner, an individual, sole-proprietor or single-owner entity.

Applicants will be able to access the application portal for a CAURD license on New York State Business Express. The Office of Cannabis Management has published an interactive resource page to help. The application window will close on September 26, 2022.

“Today marks the opening of the CAURD application window. From Brooklyn to Buffalo, Montauk to Plattsburgh, we are building something different in the Empire State. We’re launching a cannabis industry with individuals who suffered and we’re directly impacted by the unjust prohibition of cannabis,” said **Tremaine Wright, Chair of the Cannabis Control Board**. “We are leading with justice-impacted entrepreneurs because NY is committed to restoration and reinvestment. And the entrepreneurs that will be granted licenses are poised for success because of their business experience and the host of supports that will be afforded through the Seeding Opportunity Initiative. Thank you, Governor Hochul for creating the Seeding Opportunity Initiative and re-affirming New York’s commitment to making sure the first sales are conducted by those harmed by prohibition.”

“Today, New York took a big step forward, opening the CAURD application portal and providing resources to guide justice-involved applicants through this process,” said **Chris Alexander, Executive Director of the Office of Cannabis Management**. “Thanks to Governor Hochul’s leadership and action taken by the Cannabis Control Board, we are creating opportunities across New York State, and helping those harmed by prohibition have access to the market that we are building. This is what justice in action looks like.”

“The modern cannabis industry that has emerged in the wake of prohibition is one characterized by steep barriers to entry that reward privilege and stifle opportunity. The importance of making New York’s cannabis industry accessible to New Yorkers who were harmed by prohibition on day one can’t be overstated,” said **Damian Fagon, Chief Equity Officer at the Office of Cannabis Management**. “That’s why I am so proud that we in New York are making sure these first-to-market, turnkey retail operations go to those who have had past marijuana-related convictions and their family members. We’ve made the application process as simple as possible, so you won’t need a third party’s help. And we’re making sure real New Yorkers have a fair shot at getting in on the ground floor of this industry. And we’re just getting started.”

“With these developments, New York reaffirms its commitment to creating opportunities, breaking down barriers, and laying the foundation for building generational wealth that has been out of reach for too many of our citizens, particularly those in Black and Brown communities for too long,” said **DASNY President and CEO Reuben McDaniel, III**. “For generations, aspiring entrepreneurs have been held back by the lack of access to capital. I’m proud that DASNY is working to address this obstacle.”

“As New York’s newest business market opens to reflect Governor Hochul’s bold vision for advancing equity in the cannabis industry, scores of startups and established businesses in the cannabis supply chain will need the same protection for their workers that any other business requires, including

workers' compensation, disability, and paid family leave coverage," said **Gaurav Vasisht, Executive Director & CEO of NYSIF**. "As a state entity with over a century of experience supporting new markets, NYSIF looks forward to helping entrepreneurs meet their insurance needs and comply with these mandatory requirements."

In March 2022, the Cannabis Control Board voted to issue proposed regulations for the CAURD licensees for public comment. The public comment period closed on May 31, 2022. On July 14, 2022, the Cannabis Control Board approved the final rules and regulations for the CAURD licensing program.

As part of the Seeding Opportunity Initiative, CAURD applicants will receive support from the Social Equity Cannabis Investment Fund, which was included in April's enacted State budget. In June, the selection of Social Equity Impact Ventures, LLC, a premier minority-led investment team, was announced to sponsor and manage the \$200 million New York Social Equity Cannabis Investment Fund. Impact Ventures is a joint endeavor between an entity led by NBA Hall of Famer and entrepreneur Chris Webber, who is currently an active partner in a fund for cannabis-related projects, entrepreneur Lavetta Willis, also a partner in the cannabis-related venture and who has extensive brand building experience; a firm affiliated with Siebert Williams Shank (SWS), one of the nation's leading minority- and women-owned investment banking firms that will be led by SWS CEO Suzanne Shank, and SWS Chief Administrative Officer William Thompson, the former New York City Comptroller. In May 2022, the Dormitory Authority for the State of New York (DASNY) issued a request for proposals seeking a fund manager to sponsor and manage the \$200 million fund.

The Fund is another key component of the Seeding Opportunity Initiative to create opportunities for individuals with business experience who have been, or their family members have been, convicted of cannabis-related offenses. The Initiative is a step toward addressing barriers that have significantly impeded progress for these individuals in other states, particularly accessing the capital needed to source, lease, construct and equip suitable real estate for conditional adult use retail cannabis dispensary locations.

New York State's Cannabis Law places a priority on building an equitable cannabis industry designed to offset the harms caused by the disproportionate enforcement of cannabis prohibition, including a priority for individuals or member(s) of their family who were convicted of cannabis-related crimes. The OCM launched a public service advertisement in June describing how, over the last 30 years, Black New Yorkers were 15 times more likely to be arrested on a cannabis-related charge than White New Yorkers while Latino New Yorkers were 8 times as likely, despite data showing nearly uniform usage amongst the 3 groups. The Seeding Opportunity Initiative is designed to open New York's adult-use market while living up the goals of the state's Cannabis Law.

New York's recreational cannabis market is expected to reach \$4.2 billion by 2027 and to create up to 60,000 jobs. NYSIF's outreach campaign will help to guarantee the availability of workers' compensation, disability insurance, and paid family leave to New York businesses, and the company has taken many steps to facilitate this process for cannabis businesses. Companies may qualify for upfront premium discounts and may also be eligible to join NYSIF's safety group program for additional savings.

In July, it was announced that SUNY and CUNY community colleges will receive \$5 million in funding to support the creation or enhancement of short-term credential programs or course offerings that provide pathways to employment in the cannabis industry. The funding will support creating or enhancing non-degree and degree-eligible courses, programs, stackable credentials, and/or microcredentials that

quickly address local employer skill needs within the cannabis sector, a projected multi-billion dollar industry with tens of thousands jobs. Selected campuses must also partner with local employers in the cannabis industry and receive their input on curriculum development.